

<b>DISPATCH</b>		CLASSIFICATION <b>SECRET</b>	DISPATCH SYMBOL AND NO. EGFT - 1361
TO INFO	Chief, SR Division EE & COS		HEADQUARTERS FILE NO.
FROM	Chief of Base, Frankfurt		DATE 13 March 1959
SUBJECT	Project Administration -- FY 1959 Obligations		RE: "43-3" -- (CHECK "X" ONE)  <input type="checkbox"/> MARKED FOR INDEXING <input type="checkbox"/> NO INDEXING REQUIRED <input type="checkbox"/> INDEXING CAN BE JUDGED BY QUALIFIED HQ. DESK ONLY
ACTION REQUIRED	See Paragraph 5 <i>5 Feb 59</i>		
REFERENCE(S)	(A) EGFW - 8325 - <i>Accession - Aemann - Project Administration - FY 59 Obligations</i> (B) EGFA - 24774 <i>8 Jan 59</i>		
<p>1. The new concept of Project Administration as set forth in reference (A), whereby the Baltic projects, [ ] , AEMARSH, AECHAMP, AECOB and AEROOT will only include funds for salary, housing and miscellaneous expenses, (probably travel expenses) will undoubtedly mean large increases in the expenditure of SOV/OOA funds. Further, if all operational expenses are charged to SOV/OOA, it will be extremely difficult to determine the cost of Redskin operations targeted against a certain country, i.e., AEMARSH targeted against Latvia. This would seem to be an oversimplification of Project Administration.</p> <p>2. We believe that all expenses that are incurred in behalf of a projects' objective, operational or otherwise, should be charged to the project and the funds for such included in the project. This would include development of agent assets as long as they are concerned with the project objectives. Taken singly, these development expenses are usually small, however, the cost runs high due to the number of such cases. Any other development outside the scope of the project could be charged to SOV/OOA or the appropriate project. Of course after the development is successfully completed, and the situation warrants, the new asset could be written into a new project or added by amendment to an existing project, whichever is appropriate. It should be noted here that this has always been the concept used in preparing the annual budget.</p> <p><i>They are right</i>  <i>that AECOMPASS had not been approved at that time</i>          3. Paragraph 4 of reference (A) states that SOV/OOA should be charged when [ ] is working on AECOMPASS. It would seem that this is a contradiction to paragraph 1 of reference (A) which indicates that an appropriate functional project should be charged if possible.</p> <p>4. As of the end of February 1959, obligations have been incurred against AEMANNER in the amount of \$19,814.00 as against approval for Field operations to date of \$8,706.00. All future operational expenses will be charged to SR/OOA, EE/OOA or an appropriate activity or project until further notice.</p> <p>5. It is requested that the SR Division reconsider their new approach to Project Administration as set forth in reference (A).</p>			
APPROVED: <u>                    </u>		DECLASSIFIED AND RELEASED BY CENTRAL INTELLIGENCE AGENCY SOURCE METHOD EXEMPTION 3020 NAZI WAR CRIMES DISCLOSURE ACT DATE 2007	
Distribution: 2 - SR Division 1 - EE (info) only			
FORM 10-57 53 (40)	USE PREVIOUS EDITION. REPLACES FORMS 51-28, 51-28A AND 51-29 WHICH ARE OBSOLETE.	CLASSIFICATION <b>SECRET</b>	PAGE IV <input type="checkbox"/> CONTINUED